

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1470 – HB 1473

February 12, 2018

SUMMARY OF ORIGINAL BILL: Authorizes certain territories in Hickman County to incorporate.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent certain territories in Hickman County incorporates, permissive shifts in revenue and expenditures between the applicable local entities may occur. The extent and timing of any such permissive shifts cannot be reasonably quantified because they are dependent upon several unknown factors.

SUMMARY OF AMENDMENT (012960): Adds language to the original bill specifying that the legislation will not affect an existing municipality's authority to annex unincorporated areas within existing urban growth boundaries.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 6-2-201(b)(1)(A), territories located within three miles of an existing municipality or within five miles of an existing municipality with a population of 100,000 or more are prohibited from incorporation.
- Under current law, pursuant to Tenn. Code Ann. § 6-2-201(f)(1), municipalities in Williamson and Maury counties are authorized to adopt resolutions indicating there is no interest in annexing an unincorporated territory within three miles of the municipality.
- Upon receipt of such a resolution, the unincorporated territory is authorized to move forward with incorporation proceedings.
- This legislation extends this incorporation exemption to unincorporated territories located in Hickman County.

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- In instances where an unincorporated territory located in Hickman County incorporates, there will be a shift in the responsibility of the provision of certain services from the county to the newly recognized municipality.
- The cost associated with the provision of services is dependent on the current services provided to the current unincorporated territory residents and the timing of any such incorporation. In addition, there may be a shift in revenue from the county to the municipality.
- Any changes or shifts would result from permissive actions of local government. Any fiscal impact resulting from Hickman County territories incorporating cannot be reasonably quantified.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj